



CALPEEK

CALIFORNIA POLITICAL WEEK

P.O. BOX 1468, BEVERLY HILLS, CA 90213
Dick Rosengarten, Publisher

(310)659-0205 FAX(310)657-4340
E-Mail: calpeek@aol.com

VOL. XXIV
No. 19

MAY 20, 2002

CAMPAIGN 2002: OLBERG AND SHELLEY BATTLE TO REPLACE JONES AS CALIF. SECRETARY OF STATE.

Editor's note: Although there's not much action at present, this Nov. 5th match between former Assemblyman Keith Olberg(R-Victorville) and S.F. Assemblyman Kevin Shelley(D) promises to be an interesting battle – with a number of key issues pertaining to the SOS's job. Here's our update & analysis...

...It's hard to believe that over the past 28 years there have only been two persons *elected* to the job of Calif.'s chief elections officer: March Fong Eu(D) and the current SOS Bill Jones(R). Although Jones has a few detractors, most **Calpeek** sources give the current SOS solid marks for his almost 8 years of service...

...Although Olberg and/or Shelley are the favorites, they won't be alone on the ballot. There are five other candidates: AI's Edward C. Noonan; Green Party's Larry Shoup; Libertarian Party's Gail Lightfoot; Natural Law's Louise Marie Allison; and Reform Party's Valli Sharpe-Geisler...

...Olberg won the GOP nomination thanks to slate power. Olberg and his campaign finance team (Capital Campaigns) raised more than \$600,000 during the primary and as of 2/16/02 Olberg still had \$364,669 cash on hand. He'll need to raise at least another \$1-2 million to be competitive with Shelley, who is a voracious fundraiser...

...Shelley spent just about everything he raised (\$1.7 million) and as of 2/16/02 had just \$41,378 c-o-h. However, there is probably another \$200,000 or more in late contributions. New fundraising reports are due by July 31st, but it's likely many candidates will have data before then. Unlike Olberg, Shelley was the underdog in March. Most **Calpeek** sources thought that former SOS Eu had a lock on the nomination. But Shelley worked his tail off to win the CA Demo Party's endorsement and combined with Michela Alioto's strong showing – which cut into Eu more than Shelley – the former Assembly Majority Leader narrowly won with 33.9% vs. 29.1% for Eu and 28.1% for Alioto...

...In this Olberg vs. Shelley battle, most sources rate Shelley a slight favorite for now. As one GOP source told **Calpeek**, "Olberg needs coattails from Bill Simon Jr. to have any kind of a shot." Another GOP source said that had Olberg been in a runoff with Eu, his chances of winning might have been improved because Eu was seen as being *very vulnerable*. This view is not shared by all sources. On the other hand, most Demos view Shelley as having an excellent chance to win the SOS's job...

...As for issues, there are at least three good ones which relate to the SOS's office: 1) moving Calif.'s March primary back to June or even September; 2) EDVR (election day voter registration); 3) adopting a WA State blanket primary. Olberg told **Calpeek** that the "March primary is ridiculous" and it suppresses voter turnout. Shelley says that in non-presidential years the primary should be moved back to June – but not September. As for EDVR, Shelley has endorsed the initiative, while Olberg has been contacted by the EDVR campaign and will meet with EDVR sponsor Rob McKay soon. As for WA State's blanket primary, Olberg hasn't made a decision, but Shelley is not inclined to support it as of now. Stay tuned...

CALIF.'s NEW BUDGET FACES \$23.6 BILLION DEFICIT.

Editor's note: The last time **Calpeek** did a budget story the deficit was only \$12.5 billion. Five months later the red ink has almost doubled. Calif. isn't alone in facing red ink: 47 other States and the U.S. Govt. are also running deficits. Only difference is that in Calif. the budget must be balanced and deficit spending isn't allowed. Here's our update & analysis...

...The overall Calif. budget is \$1.1 billion less than last year – meaning its **\$98.9 billion**. The May Revise budget presented by Gov. Gray Davis(D) is balanced, but that does not mean it will *fly* with GOP lawmakers in this 2002 election year...

...Davis said during his 30-minute news conference in the Capitol that the key reason for the \$23.6 billion shortfall

CALIFORNIA POLITICAL WEEK (ISSN 0195-6175) IS AN INDEPENDENT, NONPARTISAN NEWS ANALYSIS BULLETIN OF CALIFORNIA POLITICAL WEEK, INC., A CALIFORNIA CORPORATION. TELEPHONE: (310)659-0205. ADDRESS: P.O. BOX 1468, BEVERLY HILLS, CA 90213. \$90/YEAR. PUBLISHED WEEKLY, 44 WEEKS PER YEAR. COPYRIGHTED BY CALIFORNIA POLITICAL WEEK, INC. THIS TRADEMARK REGISTERED WITH THE CALIF. SECRETARY OF STATE. REPRODUCTION IN WHOLE OR IN PART REQUIRES EXPRESS PERMISSION. ALL RIGHTS RESERVED. 1ST CLASS POSTAGE PAID AT LOS ANGELES.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was due mainly to the decline in revenues (read that as income and capital gains taxes) from high-end taxpayers. This group makes up only 5% of all Calif. taxpayers, but they contribute 70% of all revenues. Davis said economic factors (downturn in the U.S. economy, 9-11 + collapse of Calif.'s dot.com economy) plus a steep decline in the stock market (fewer capital gains and options) led to a loss in revenue of \$19.2 billion. That's a big hunk of the deficit...

...GOP Senate Leader Jim Brulte and GOP gubernatorial candidate Bill Simon Jr. say the budget is out of balance because of massive spending over the past several years by Davis and the Demos. "That's a myth," Davis said. And the governor also said if the GOP wants to criticize his budget, then they need to produce one which adds up...

...Davis is protecting K-12 education, public safety, health insurance for kids and vital senior programs. That's the good news. The bad news is that in order to close the \$23.6 billion deficit Davis has cut \$8 billion in existing programs; borrowed \$4.5 billion from the tobacco settlement fund; rolled back the popular VLF (car tax) refunds to 1999 levels (saves \$1.3 billion); and hiked cigarette taxes by \$.50 cents to \$1.37 per pack (raises \$475 million). If you're adding things up, this only comes to \$14.3 billion. There's another \$8.3 billion in internal borrowings, loans, refinancing (debt restructuring) and transfers + \$1 billion from the Feds (this may not show up)...

...Earlier this year Davis said he would not advocate any new taxes and he said if the budget had remained at the \$12 billion deficit level he might have gone along with that. But when the red ink went to nearly \$24 billion, that crossed the line and he needed some revenue along with cuts...

...FYI: As noted back in January, now is the time when the horse trading begins. The big question: will the cigarette tax hike or the temporary VLF rollback kill this particular budget? Our best guess: cigarette tax hike may fly, but the VLF rollback won't. Remember it takes a 2/3rds vote to pass the budget. In the Assembly, Davis & the Demos need to pick up 4 GOP votes to pass the budget; in the State Senate just 1 GOP vote. Stay tuned...

CALPEEK'S CONSULTANTS DIRECTORY ON SALE

We still have about 60 copies of Calpeak's 2001-02 *Directory of Campaign Consultants* left. There are about 300 listings in the Directory. Cost is \$30. Checks only. No credit cards and no invoicing. Send payment with your name, address, etc. (please type or print clearly) to Calif. Political Week or Calpeak, P.O. Box 1468, Beverly Hills, CA 90213...

CAMPAIGN 2002: 4 RUNOFF ELECTIONS FOR SHERIFF

Editor's note: Of the 57 county sheriffs who faced voters in March, only one incumbent was forced into a Nov. 5th runoff. Additionally, there are 3 battles for open seats which will be decided Nov. 5th. (FYI: S.F. is the 58th county, but it is on a different election cycle than the other counties). Here's our update...

☒ Siskiyou Co. – This has been Sheriff Charlie Byrd's turf since 1986. And up until this past March, Byrd was regarded as one of the more popular elected officials in No. Calif. But in March Byrd was forced to into a runoff with Yreka PD Lt. Rick Riggins. Byrd got 40.1% vs. 27.61% for Riggins. But that's only part of the story. Riggins was not alone in challenging Byrd. There were four other candidates. Best guess is that perhaps voters just wanted a change. The Deputy Sheriffs Assn.(DSA) has not taken a position as yet...

☒ Kern Co. – In this runoff to replace retiring Sheriff Carl Sparks the establishment is with Kern Co. Sup. Steve Perez, who has represented the 2nd district for the past 8 years. Before his election as a Sup, Perez was a deputy for 24 years. Perez's rival is CHP Officer Mack Wimbish, with 32 years on the job – much of it as the local radio/tv PIO for the CHP. He's got huge name and face ID and in fact finish ahead of Perez: 42.5% for Wimbish vs. 35.7% for Perez. With such a huge turnout of Latino voters (in the 30th AD primary) one would have thought Perez would do better, but he didn't despite the fact that he outspent Wimbish and had backing from the Kern Co. Police Chiefs Assn., KLEA (Kern Law Enforcement Assn.) and the Deputy DA Assn., plus Sparks. Perez also got the endorsement of the Bakersfield Californian. Perez sees the runoff as experience vs. Mr. Nice Guy. There's more to it and our sources think Wimbish has a shot at winning...

☒ Del Norte Co. – This runoff to replace retiring Sheriff Jim Maready features Crescent City PD Sgt. Dean Wilson vs. former Del Norte Sheriff Mike Ross. Wilson finished ahead of Ross in the primary with 45% vs. 25% for Ross. Here's what's interesting. Back in 1990, Maready ran against Ross and lost, but came back four years later to oust him. Sources give Wilson a slight edge...

☒ Monterey Co. – Sheriff Gordon Sonne is retiring after only one term. There was a field of 8 rivals seeking to replace Sonne. The runoff features two Sheriff Commanders. Mike Kanalakis, who is in charge of the Salinas office, while Lonnie Heffington runs the Monterey office. Heffington's been on the job for 31 years vs. 25 for Kanalakis. Sonne has

endorsed Heffington, while former Sheriff Norm Hicks is with Kanalakakis. In the primary, Kanalakakis finished with 30.1% vs. 21.8% for Heffington. Both rivals have websites: www.mikeforsheriff.com & www.heffingtonforsheriff.com. Stay tuned...

CAMPAIGN 2002: CONTROLLER CONNELL THINKS HOLLYWOOD WOULD STRUGGLE AS A NEW CITY.

Editor's note: Here's another update on the hot secession issue facing L.A. City. This week we'll focus on the proposed **City of Hollywood**. Here's our update & analysis...

...CA Controller Kathleen Connell's conclusion is that if Hollywood were to be a separate city, it would begin with **\$9.2 million in red ink**. But that's not the worst part of Connell's audit. Her study also says that the \$9.2 million deficit could grow to \$26 million in 3 years. Connell's report differs from the Local Agency Formation Commission's (LAFCO) report, which said Hollywood would be a viable city. Hollywood secession leader Gene LaPietra downplays Connell's report and said in an L.A. Times story that any deficit could *easily be erased*...

...The biggest budget items in a new City of Hollywood, with 200,000 population, would be public safety – police & fire services. And think about this: could the new City of Hollywood pay for the entire public safety bill for the *Oscar Awards* and the big *Hollywood Christmas Parade*? Our sources think those items alone are *budget busters*, while pro-cityhood forces say they're paying for 400 cops, but only getting about half that...

...New cities in either Hollywood or the San Fernando Valley would undoubtedly have to find a new revenue stream to keep these proposed cities afloat. The quickest source for new revenues would be **card clubs**. It's doubtful there's any Indian land in either Hollywood proper or the Valley, but card clubs could provide the revenue that's needed, sources say. Right now there are no card clubs in L.A. city proper, but there are numerous clubs in L.A. County (Gardena, Commerce, Bellflower)...

...LAFCO will vote June 5th on whether to put Hollywood cityhood question on the Nov. 5th ballot. May 22nd is the date for the San Fernando Valley LAFCO vote. No word yet on when a final decision will be made for a new city in the Harbor/San Pedro area (145,000 population) but a LAFCO report says such a city could **not** survive financially. The LAFCO report says a Harbor city would be \$7.5 million in the red during its first six months of operation...

◆ The L.A. County Federation of Labor has named

Austin Lynch to honcho its efforts against secession. One of the first big projects by the Fed is a 10 a.m., June 22nd Rally In the Valley (L.A. Valley College) against secession...

◆ The L.A. County Federation of Labor has hired SG&A Campaigns (Parke Skelton & Steve Gray-Barkan) for a member-to-member anti-secession communications project. Citywide there are about 200,000 members of organized labor + 35,000 teachers (UTLA). About 40% of all labor members live in the San Fernando Valley. Stay tuned...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

May 24	Women's Town Hall – '02 governor's election, 8:30 a.m. to 11 a.m., Bonaventure Hotel, L.A.
June 4	Long Beach muni runoff election.
June 27	Last day for initiatives to qualify for November 2002 general election ballot.
July 31	State campaign reports due.
Aug. 31	Final day of CA Legislative session for 2002.
Sept. 27-29	CRP State Convention, Hayatt Regency, Anaheim, CA.
Sept. 30	Last day for Governor to sign bills.
Oct. 21	Last day to register for November election.
Nov. 5	Calif. General Election.

DISINFORMATION CAMPAIGN AGAINST PARSKY.

Editor's note: It's been months since delegates of the CA Republican Party(CRP) adopted a new set of guidelines to "professionalize" their party. But the new by-laws also meant less power for CRP Chair Shawn Steel. And the guy who Steel blames for this is Gerald Parsky, a member of the CRP's operating committee and the Bush go-to guy here in Calif. It's all about power – who has it and who doesn't. Here's our analysis & commentary...

...While the CRP's leadership is solidly behind the candidacy of GOP gubernatorial nominee Bill Simon Jr., if you read certain DC-based news stories, one might think Gerald Parsky was trying to sink Simon's campaign. Someone, who is either an ally of Steel or just hates Parsky, has been planting stories with www.americanprowler.org and the Washington Times which don't paint a very flattering picture of Parsky. Our sources say it appears to be part of a well-run anti-Parsky *disinformation campaign*...

...Examples of disinformation. In the May 7th Washington Times (Inside Politics column) – an article claimed that during Pres. Bush's recent trip to Calif. the addition of a last minute minority outreach event in L.A. for Pres. Bush was an "attempt by Parsky to divert major media attention away from the later GOP fundraiser for Simon." Wrong. And if

you ask Simon's consultant about Parsky and White House cooperation, Ron Rogers says Parsky and the White House have been "very helpful" and they "rolled out the Red Carpet." FYI: negative stories about Parsky are emailed regularly by Steel to not only political reporters, but to what our sources suspect is a rather large email list of other GOPers in Calif. and the U.S...

...While the news media stories may *seem* to be objective, there's nothing objective about **Parsky Watch**. (You can go there at parskywatch@hotmail.com). Calpeek sources suspect that Parsky Watch is part of this same disinformation campaign. In Parsky Watch #3, it claims that Parsky's wife, Robin, help solicit money (week of April 10th) at a *Republicans for Davis* event. Parsky said that's totally false and even some pro-Steel supporters agree. Lots of news media types (including Calpeek) are trying to find out who is behind **Parsky Watch**, but right now it's the best kept secret since *Deep Throat*. However, we do have a short list of the usual suspects. Stay tuned...

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **SCA 16** – Part of the GOP response to Calif.'s budget crisis was the introduction of **SCA 16** – which would return the State back to 1979 when the Gann Spending Limits went into effect. Demo sources say SCA 16 sounds OK until one takes a closer look. 1) It may wipe out all the exemptions from the Gann Limit law; 2) Prop. 98 and school funding will be gutted; 3) It will be nearly impossible to float voter-approved bonds; and 4) Infrastructure funding will dry up. In effect, SCA 16 goes back to the pre-98 version of Gann and limits budget growth to inflation and population. Who are the authors and co-authors? GOP Senators Tom McClintock, Ray Haynes, Pete Knight, Bob Margett, Dick Monteith, Bill Morrow & Ricco Oller. Assembly co-authors are Bates, Briggs, Bill & John Campbell, Cox, Harman, Hollingsworth, La Suer, Mountjoy, Robert & Rod Pacheco, Runner, Strickland and Wyman. Sources say this proposal is so extreme that some of the co-authors are having second thoughts. Who loses under SCA 16? The Central Valley. So long UC Merced if SCA 16 were to be approved...

■ **What Women Want for Calif.** – That's the name of the 8:30 a.m. – 11 a.m., May 24th Women's TownHall 2002 Calif. Gubernatorial Election forum at the Bonaventure Hotel in L.A. This forum is a non-partisan gathering of 125 different women's groups who are sponsoring this event

which will feature GOPer Bill Simon at 9 a.m. and Gov. Gray Davis(D) at 10:15 a.m. For info contact Elena Stern (310)226-3098 or Anita Zusman (310)395-1555...

■ **Simon and GOP Allies Step Up Attacks on Davis** – No, it's not September – it's mid May. And yet political reporters, analysts and columnists are being bombarded with tons of emails & faxes from GOP gubernatorial candidate Bill Simon and his Republican allies – blasting Gov. Gray Davis(D) on Oracle, the budget and his fundraising. In addition to usual slams from Simon's campaign consulting firm (Russo Marsh + Rogers) with their very informative *The Insider* fax, Simon's campaign is also pumping out a new fax called *The Darkest Shade of Gray*. And now there are regular hits coming from the Calif. Republican Liberty Caucus. This group calls the Oracle software mess *Oraclegate* and has set up a website called DirtyDonations.com. Too much...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● A sad note – Bernice Brown, the 93-year-old widow of the late Gov. Pat Brown and mother of former Gov. and now Oakland Mayor Jerry Brown, died May 9th in her L.A. area home. She had been ill for some time. R.I.P...

● John Weaver, former top political guru to U.S. Sen. John McCain(R), has been hired by the DCCC to help Demos attract GOP and independent voters. And yes, he re-registered as a Demo. Interesting...

● Sacto-based Sloat Higgins Jensen & Assoc. has hired attorney Carolyn Veal-Hunter. She is the former chief consultant to the Assembly Utility & Commerce Cmt...

CALPEEK'S MARKETPLACE NETWORK

● **Southern Calif. political consulting firm** seeks on-site campaign staff for non-partisan November races in Orange and Ventura counties. Calif. experience preferred and campaign or organizing experience is necessary. Salary commensurate with experience. Please email resume to CampaignFirm@aol.com.

CALPEEK's Marketplace Network is a listing of employer and employee availabilities for those engaged in campaign consulting, public affairs, public relations, government relations and legislative advocacy. The cost for each listing is \$25 for up to 40 words. Send ad copy with payment (*no invoicing*) to CALPEEK, Attn: Marketplace Network, P.O. Box 1468, Beverly Hills, CA 90213. For info ☎(310)659-0205...